Distr.
GENERAL

GC.5/25
19 November 1993

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

GENERAL CONFERENCE

Fifth session
Yaoundé, 6-10 December 1993
Item 10 (a) of the provisional agenda

THE REGIONAL DIMENSION: SECOND INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA

Progress report on the implementation of the programme for the Second Industrial Development Decade for Africa

Submitted by the Secretariats of ECA, OAU and UNIDO

Summary

Reports on progress achieved to date in implementing the programme for the Second Industrial Development Decade for Africa.

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Introduction

1. The General Conference, in resolution GC.4/Res.8, adopted the programme for the Second Industrial Development Decade for Africa (IDDA) with its national, subregional and regional components as a top priority programme of UNIDO. In that resolution, the Conference requested the Director-General, in cooperation with the Executive Secretary of the Economic Commission for Africa (ECA) and the Secretary-General of the Organization of African Unity (OAU), to undertake follow-up actions and regional activities in support of the programme and jointly submit a report on the implementation of the programme to the General Conference at its fifth session. The present report provides a summary of the main activities undertaken by the three secretariats as reflected in the reports submitted to the Conference of African Ministers of Industry (CAMI) at its eleventh meeting held from 31 May to 3 June 1993 in Mauritius (see CAMI.11/4). Of particular significance emanating from the CAMI meeting was the adoption of the Mauritius Declaration on Africa's accelerated industrial recovery and development in the context of the Second IDDA (1993-2002) and beyond. The report of the meeting of the Intergovernmental Committee on Experts of the Whole on Industrialization in Africa (ICE/1993/14) and the report of the eleventh meeting of CAMI (CAMI.11/13), containing the Mauritius Declaration, were subsequently made available to Member States on 15 September 1993. In the present document the attention of the Conference is drawn to those issues deemed particularly worthy of its attention. Further information concerning relevant 1992 activities on the close cooperation between the secretariats of ECA, OAU and UNIDO in the implementation of the programme has already been provided in the Annual Report of UNIDO, 1992 (chap. III, paras. 47-55).

I. IMPLEMENTATION OF THE PROGRAMME

2. In keeping with the basic principle of self-reliance of the second IDDA, the main responsibility for the implementation of the programme rests with the African countries. However, the financial and technical support of the international community is recognized as a crucial input for the success of the new Decade. Therefore the General Assembly, in resolution 47/177, urged the international community to take the necessary steps to encourage direct foreign investment and support the policy changes undertaken in African countries. The General Assembly appealed particularly to bilateral and multilateral funding institutions to increase significantly their contributions to the industrial sector in African countries so as to ensure the successful and sustained implementation of the programme for the Second Decade. More specifically, the World Bank, the International Monetary Fund and the African

V.93 90243 6473E

Distr.: 23 November 1993

Development Bank were urged to ensure full support for the Second IDDA.

3. Although delays in implementing of projects have been experienced, it is expected that by the end of 1993 the funds allocated to the IDDA component of the Regular Programme for Technical Cooperation could be expended. The same situation is expected to prevail with regard to the allotments for the supplementary activities portion of the IDDA programme. As regards the types of technical cooperation projects being implemented, they focus on the pressing needs of selected African countries while keeping within the priorities of their national and subregional programmes for the Second IDDA. Highest priority was accorded to food processing, technology acquisition and transfer, local entrepreneurship development, integration of women in industrial development, development of the private sector and regional cooperation. In the implementation of those projects efforts were made to enhance high quality delivery and efficiency as well as sustainable impact.

4. Steps were taken to mobilize financial resources by using IDDA funds as seed money. Nearly $900,000-worth of projects were implemented under co-financing arrangements with the United Nations Development Programme and the Agency for Cultural and Technical Cooperation.

5. Concerning the supplementary activities, since the adoption of the programme for the Second IDDA, assistance has been provided to the African countries for the preparation of strategic management plans for their subregional programmes for the Decade. The plans emphasized the establishment of an enabling environment, the development of the private sector and the strengthening of regional cooperation and, in particular, the subregional economic groupings. A strategic management plan was adopted for West Africa at the first follow-up meeting on the implementation of the subregional programme for the Second IDDA for West Africa held at Abidjan, Côte d'Ivoire, from 14 to 18 June 1993. Another plan was adopted by the Central African subregion at a similar meeting held at Libreville, Gabon, from 4 to 8 October 1993. Preparatory work is well advanced on the plans for the North African and Eastern and Southern African subregions. The plans will be submitted to the respective subregional meetings scheduled to be held at Tunis, Tunisia, from 22 to 26 November 1993 and at Harare, Zimbabwe, in the first quarter of 1994.

6. Worth noting is the action taken by UNIDO to ensure the participation of the private sector in the eleventh meeting of the CAMI as well as in the above-mentioned subregional meetings where the representatives of the private sector made particularly significant contributions to the work of those meetings. The full involvement of the private sector in the implementation of the decisions of those meetings is planned by UNIDO.

7. Other supplementary activities focused on mobilization of financial resources, investment promotion, support for technology acquisition and negotiation. In accordance with the principle of rotation of the role of the lead agency for the organization of the meetings of CAMI, established by the Joint Committee of the Secretariats of OAU, ECA and UNIDO on the implementation of the programme for the IDDA, the preparations for the eleventh meeting of CAMI and related activities were initiated by UNIDO and implemented in close cooperation with ECA and OAU. A regional seminar on the African Economic Community was organized by OAU in cooperation with the African Development Bank and ECA, and held at Addis Ababa, Ethiopia, in July 1993. The seminar focused on economic transformation within the framework of the African Economic Community, the pivotal role of industry as a critical factor in African economic integration and, finally, the need for effective implementation of the programme for the Second IDDA.

8. Also as part of the supplementary activities, short-term technical advisory services were provided mostly in selected African least developed countries in support of the implementation of priorities of their national programmes. Areas covered included industrial policies, strategies and programming, techno-economic studies in agro-industry, capacity building, utilization of local resources, maintenance and repair.

II. SELECTED ISSUES FOR FUTURE CONSIDERATION

9. At the eleventh meeting of CAMI as well as at subregional meetings, the African countries reported difficulties in their efforts to implement the programme for the Second IDDA. One of the issues discussed was the impact of structural adjustment programmes on the industrialization efforts of the countries and their adverse social consequences. At CAMI, discussions were held on how such programmes could be made development-oriented and conducive to the promotion of accelerated industrialization in Africa. Suggestions were made that UNIDO could play a significant role in this regard and should undertake consultations with the World Bank and the International Monetary Fund.

10. Suggestions were also made that in addition to the traditional financial and technical resources flowing to Africa, efforts should be undertaken to develop and promote business contacts with countries in South-East Asia with a view to mobilizing investment resources from those countries in favour of the industrial sector in African countries.

11. As the supply of inadequate financial resources was a main constraint in the implementation of the first IDDA, efforts are being made, when establishing the Second IDDA, to involve financial institutions in the preparation for the programme for that Decade to ensure their support for its implementation. As a first step, UNIDO initiated action to hold a consultative meeting with the main international development finance institutions and African subregional development banks. The high-level consultative meeting, intended to be held in Vienna has not yet taken place despite sustained efforts made by UNIDO. It has proved difficult to ensure the participation of high-level representatives of the targeted financial institutions. However, UNIDO, together with OAU and ECA, will make every effort to ensure that such a meeting will take place.

12. Since UNIDO became a specialized agency, in addition to other UNIDO projects and programmes in Africa, there has always been, in each biennium, an allocation of some $8.6 million to UNIDO for the IDDA programme while it was understood that reasonable sums would also be provided by the United Nations General Assembly to ECA. However, the amounts allocated by the General Assembly to ECA were far below those expected. It is hoped that in the coming bienniums the General Assembly will be able to increase the allocation to ECA.

III. ACTION REQUIRED OF THE CONFERENCE

13. The General Conference may wish to take note of the present report.